

Message Text

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12

ORIGIN EB-11

INFO OCT-01 AF-10 ARA-16 EUR-25 EA-11 NEA-14 IO-14 ISO-00

CAB-09 CIAE-00 COME-00 DODE-00 DOTE-00 INR-11 NSAE-00

RSC-01 FAA-00 L-03 /126 R

DRAFTED BY EB/OA/AVP:DBORTMAN:JO

APPROVED BY EB/OA/AVP:DBORTMAN

CAB - RECTOR (DRAFT)

NEA/RA - MONTGOMERY (SUBS)

ARA - LISTER (SUBS)

AF/RA - ROTH (SUBS)

EUR - ROUSE (INFO)

EA/RA - BASS (SUBS)

----- 059049

R 062145Z SEP 74

FM SECSTATE WASHDC

TO AMEMBASSY ABIDJAN

AMEMBASSY ATHENS

AMCONSUL AUCKLAND

AMEMBASSY BEIRUT

AMEMBASSY BELGRADE

AMEMBASSY BERN

AMEMBASSY BRIDGETOWN

AMEMBASSY BOGOTA

AMEMBASSY BONN

AMEMBASSY BUCHAREST

AMEMBASSY BUDAPEST

AMEMBASSY BRASILIA

AMEMBASSY BRUSSELS

AMEMBASSY BUENOS AIRES

AMEMBASSY CAIRO

AMEMBASSY CARACAS

AMCONSUL CASABLANCA

AMEMBASSY COPENHAGEN

AMCONSUL CURACAO

AMEMBASSY DUBLIN

USMISSION GENEVA

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AMEMBASSY GEORGETOWN

AMEMBASSY GUATEMALA
AMEMBASSY HELSINKI
AMCONSUL JOHANNESBURG
AMCONSUL KARACHI
AMEMBASSY KINGSTON
AMEMBASSY LAGOS
AMEMBASSY LIMA
AMEMBASSY LISBON
AMEMBASSY LONDON
AMEMBASSY MADRID
AMEMBASSY MANAGUA
AMEMBASSY MANILA
AMCONSUL MELBOURNE
AMEMBASSY MEXICO
AMEMBASSY MONTEVIDEO
AMCONSUL MONTREAL
AMEMBASSY MOSCOW
AMEMBASSY NAIROBI
AMEMBASSY NASSAU
AMEMBASSY NEW DELHI
AMEMBASSY OSLO
AMEMBASSY OTTAWA
AMEMBASSY PANAMA
AMEMBASSY PARIS
AMEMBASSY PORT AU PRINCE
AMEMBASSY PORT OF SPAIN
AMEMBASSY PRAGUE
AMEMBASSY QUITO
AMEMBASSY REYKJAVIK
AMCONSUL RIO DE JANEIRO
AMEMBASSY ROME
AMEMBASSY SAN JOSE
AMEMBASSY SAN SALVADOR
AMEMBASSY SANTIAGO
AMEMBASSY SANTO DOMINGO
AMEMBASSY SEOUL
AMEMBASSY SOFIA
AMEMBASSY STOCKHOLM
AMCONSUL SYDNEY
AMEMBASSY TAIPEI
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AMEMBASSY TEGUCIGALPA
AMEMBASSY TEL AVIV
AMEMBASSY THE HAGUE
AMEMBASSY TOKYO
AMCONSUL VANCOUVER

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E.O. 11652: N/A

TAGS: EAIR, XX

SUBJECT: CIVAIR - RESTRICTIVE FOREIGN AIRLINE PRACTICES

1. THE CIVIL AERONAUTICS BOARD (CAB) IS REVISING ITS COMPREHENSIVE STUDY OF PRACTICES OF FOREIGN GOVERNMENTS WHICH FAVOR THEIR NATIONAL AIRLINES AND ADVERSELY EFFECT THE ABILITY OF U.S. AIRLINES TO COMPETE IN THE SAME MARKET. AS YOU RECALL, THIS STUDY WAS ORIGINALLY PUBLISHED LAST AUGUST; REFERENCE AIRGRAM A-4134 OF MAY 11, 1973. THE REVISED STUDY WILL BE LIMITED TO RESTRICTIVE OR DISCRIMINATORY PRACTICES. SUBSIDIES ARE BEING TREATED SEPARATELY (REF: STATE 79306). WE RECOGNIZE THAT SOME FORMS OF DISCRIMINATION ARE IN THE NATURE OF SUBSIDY ASSISTANCE TO THE NATIONAL CARRIER (E.G. TAX REBATES). POSTS SHOULD REPORT SUCH PRACTICES INsofar AS THEY INTERFERE WITH THE ABILITY OF U.S. CARRIERS TO COMPETE.

2. SOME EXAMPLES OF RESTRICTIVE OR DISCRIMINATORY PRACTICES WHICH WERE IDENTIFIED IN THE INITIAL SURVEY ARE:

1. CURRENCY CONVERSION REGULATIONS AND PRACTICES WHICH MAKE IT DIFFICULT OR IMPOSSIBLE FOR U.S. AIRLINES TO REMIT DOLLARS FROM THEIR LOCAL EARNINGS.

B. FOREIGN EXCHANGE REGULATIONS WHICH GIVE PERSONS PREFERENCE IF THEY TRAVEL ON THE NATIONAL AIRLINE INSTEAD OF ON U.S. (OR OTHER FOREIGN) AIRLINES.

C. VARIOUS FEES (EXIT FEES, TRAVEL TAXES, ETC.) WHICH NEED NOT BE PAID IF TRAVEL IS ON THE NATIONAL LIMITED OFFICIAL USE

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AIRLINE.

D. PREFERENTIAL TAX OR OTHER TREATMENT FOR NATIONAL COMPANIES FOR TRAVEL OF THEIR EMPLOYEES ON NATIONAL AIRLINE.

E. DISCOUNT (OR FREE) FARES AVAILABLE FOR ALL OR CERTAIN CATEGORIES OF NATIONALS OF THE COUNTRY IF THEY TRAVEL ON THE NATIONAL AIRLINE.

F. ACCORDING THE NATIONAL AIRLINE PREFERENCE IN PROVIDING GOVERNMENT-CONTROLLED SERVICES, SUCH AS AIRPORT AND OFFICE SPACE, FUEL, ETC.

G. HANDLING AGENTS (FOR CATERING, FUELING, MAINTEN-

ANCE, ETC.) OWNED OR CONTROLLED BY NATIONAL AIRLINE
WHICH HAS EXCLUSIVE FRANCHISE.

3. ADDRESSEE POSTS ARE REQUESTED TO REPORT BY AIRGRAM
WHETHER THESE OR OTHER POTENTIALLY RESTRICTIVE OR
DISCRIMINATORY POLICIES EXIST IN THE HOST COUNTRY AND
WHETHER THEY UNFAIRLY PREJUDICE THE ABILITY OF U.S.
AIRLINES TO COMPETE. PRELIMINARY REPORTS MAY
IDENTIFY WHICH PRACTICES EXIST OR ARE BELIEVED TO EXIST,
WITH SUBSEQUENT REPORTS TO PROVIDE DETAILS AS THEY ARE
OBTAINED. INFORMATION MAY INCLUDE OFFICIAL GOVERNMENT
DOCUMENTS, NEWSPAPER OR MAGAZINE ARTICLES, AND OTHER
DOCUMENTED MATERIAL. MATERIALS RELATING TO INDIVIDUAL
COUNTRY PRACTICES PUBLISHED IN LAST YEAR'S CAB STUDY
IS BEING POUCHED TO RESPECTIVE POSTS.

4. WOULD APPRECIATE PRELIMINARY REPORTS BY OCT 5. IN
ADDITION, POSTS SHOULD INDICATE WHICH PRACTICES
THEY BELIEVE WOULD BE MOST AMENABLE TO CHANGE AND WHAT
APPROACH IS RECOMMENDED. KISSINGER

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Message Attributes

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